

# NATIONAL ENDOWMENT FOR THE HUMANITIES

## BUDGET INFORMATION AND INSTRUCTIONS

### General Instructions

- Please see the [Sample Budget Template](#) (3-page PDF) for an example of what an acceptable NEH budget looks like.
- Using the Sample Budget Template as a guide, you may create your budget using the spreadsheet or word processing program of your choice, provided that the format furnishes the necessary computational detail. However, as per the guidelines, please convert it to Adobe Acrobat (PDF) format prior to uploading to Grants.gov.
- To aid you in creating the budget, rather than starting a spreadsheet from scratch, you may download a “fillable” [NEH Budget Form](#) (Microsoft Excel format) which is available on the NEH Web site. This spreadsheet already has the basic rows, columns, and sections found in the Sample Budget Template.
- Before developing a project budget, applicants should review the program guidelines to determine cost sharing expectations, types of grant support, allowable grant periods, and any restrictions on the types of costs that may appear in the project budget.
- In the Sample Budget Template, you’ll note columns for Budget Year 1, 2, and 3. Feel free to add (or subtract) budget year columns as needed.

### Types of Grant Support

NEH supports projects with outright funds, matching funds, or a combination of the two.

#### **Outright Funds**

Outright funds are awarded by the Endowment and are not contingent on additional fund-raising.

#### **Federal Matching Funds**

Federal matching funds require a grantee to secure gift funds from third parties before federal funds are awarded. Except for Challenge Grants, NEH matching grants are made on a one-to-one basis. Because matching awards enable NEH to provide support to a greater number of projects, applicants are encouraged to request complete or partial support in the form of matching grants. Whenever possible, applicants requesting federal matching funds should identify potential sources of gift funds at the time they submit an application to NEH (see Eligible Gifts and Donors below).

#### **Combined Funds**

Applicants may also request a combination of outright and federal matching funds. For example, if an applicant is requesting \$40,000 in NEH funds, and the applicant includes in its cost sharing \$5,000 from an eligible third-party donor, the applicant should request \$5,000 in federal matching funds. The balance of the NEH request (\$35,000) may be made in outright funds.

NEH may offer funding at a different level than that requested. In some instances, NEH may offer federal matching funds only, or it may offer a combination of federal matching and outright funds in response to a request for outright funds.

### Cost Sharing

NEH normally can contribute only part of the funds needed to carry out projects. Cost sharing consists of the cash contributions made to the project by the applicant and third parties as well as applicant and

third party in-kind contributions, such as donated services and goods. Cost sharing includes gift money that will be raised to release federal matching funds. Please see program guidelines for specific cost sharing expectations.

### **Grant Period**

The grant period encompasses the entire period for which NEH support is requested in the current application. All project activities and the expenditure of project funds must occur during the grant period.

In determining the beginning date of a proposed grant period, applicants should refer to the program guidelines. Grant periods begin on the first day of the month and end on the last day of the month.

### **Eligible Gifts and Donors**

For the purpose of NEH's gifts and matching program, a gift is a voluntary transfer of money (or a noncash contribution that is subsequently converted to cash) from a nonfederal third party to the applicant without compensation or consideration in return. Only gifts that will be used to support budgeted project activities during the grant period are eligible to be matched with federal funds. Ineligible donors include the applicant who will carry out the project and any institution or individual who is involved in project activities and will receive some sort of remuneration from project funds. For further information, please see the Federal Matching Funds guidelines ([http://www.neh.gov/manage/matching\\_fund.html](http://www.neh.gov/manage/matching_fund.html))

### **Project Costs**

The budget should include the project costs that will be charged to grant funds as well as those that will be supported by applicant or third-party cash and in-kind contributions (cost sharing). In-kind contributions include the value of services or equipment that is donated to the project free of charge.

All of the items listed, whether supported by grant funds or cost sharing contributions, must be reasonable, necessary to accomplish project objectives, allowable in terms of the applicable federal cost principles, auditable, and incurred during the grant period. Charges to the project for items such as salaries, fringe benefits, travel, and contractual services must conform to the written policies and established practices of the applicant organization.

When indirect costs are charged to the project, care should be taken to ensure that expenses included in the organization's indirect cost pool are not charged to the project as direct costs. For further information, see the Indirect Costs section below.

### **Budget Item:**

#### **1. Salaries and Wages**

Provide the names and titles of the principal project personnel. For support staff, include the title of each position and indicate in brackets the number of persons who will be employed in that capacity. For persons employed on an academic year basis, list separately any salary charge for work done outside the academic year.

#### **2. Fringe Benefits**

Fringe benefits may include contributions for social security, employee insurance, pension plans, etc. Only those benefits not included in an organization's indirect cost pool may be shown as direct costs.

List each rate and salary base.

### **3. Consultant Fees**

Include payments for professional and technical consultants and honoraria.

### **4. Travel Costs**

The lowest available commercial fares for coach or equivalent accommodations must be used and foreign travel must be undertaken on U.S. flag carriers when such services are available.

For each trip, indicate the number of persons traveling, the total days they will be in travel status, and the total subsistence and transportation costs for that trip. When a project will involve the travel of a number of people to a conference, institute, etc., these costs may be summarized on one line by indicating the point of origin as “various.” **All foreign travel must be listed separately.**

### **5. Supplies and Materials**

Include consumable supplies, materials to be used in the project and items of expendable equipment (i.e., equipment costing less than \$5,000 and with an estimated useful life of less than a year).

### **6. Services**

The costs of project activities to be undertaken by a third-party contractor should be included in this category as a single line item charge. A complete itemization of the cost comprising the charge should be provided in an attachment. If there is more than one contractor, each must be budgeted separately on the NEH form and must have an attached itemization.

Include the cost of duplication and printing, long distance telephone calls, equipment rental, postage, and other services related to project objectives that are not included under other budget categories or in the indirect cost pool.

### **7. Other Costs**

Include participant stipends and room and board, equipment purchases, and other items not previously listed. Please note that “miscellaneous” and “contingency” are not acceptable budget categories.

Note about equipment: Only when an applicant can demonstrate that the purchase of permanent equipment will be less expensive than rental may charges be made to the project for such purchases. Permanent equipment is defined as nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more.

### **8. Total Direct Costs per year**

Total the sum of items 1-7.

### **9a.- c. Indirect Costs (Overhead)**

This budget item applies only to institutional applicants. These are costs that are incurred for common or joint objectives and therefore cannot be readily identified with a specific project or activity of an organization. Typical examples of indirect cost type items are the salaries of executive officers, the costs of operating and maintaining facilities, local telephone service, office supplies, and accounting and legal services.

Indirect costs are computed by applying a federally negotiated indirect cost rate to a distribution base (usually the direct costs of the project). **If your institution already has a federally negotiated indirect**

**cost rate, please indicate on the budget form the rate, the base, the name of the agency with whom you negotiated, and the date of that agreement.,**

Organizations that wish to include overhead charges in the budget but do **not** have a current federally negotiated indirect cost rate or have not submitted a pending indirect cost proposal to a federal agency may choose one of the following options:

1. NEH will not require the formal negotiation of an indirect cost rate, provided the charge for indirect costs does not exceed 12 percent of direct costs, less distorting items (including but not limited to capital expenditures, participant stipends, fellowships, and the portion of each individual subgrant or subcontract in excess of \$25,000. This option is not available to sponsorship (umbrella) organizations. Applicants who choose this option should understand that they must maintain documentation to support overhead charges claimed as part of project costs.
2. If your organization wishes to use a rate higher than 12 percent, an estimate of the indirect cost rate and the charges should be provided on the budget form. If the application is approved for funding, instructions will be provided in the award document on how to negotiate an indirect cost rate with NEH.
3. For Public Programs projects only: If the applicant is a sponsorship (umbrella) organization, it may choose to charge an administrative fee of 5% of total direct costs.

If you choose one of these three options, please indicate it on your budget form.

**10. Total Project Costs:**

The sum of items 8 and 9.

**11. Project Funding:**

11 a. Requested from NEH: Indicate the amount of outright and/or federal matching funds that is requested from NEH.

11.b. Cost sharing: Indicate the amount of cash contributions that will be made by the applicant and cash and in-kind contributions made by third parties to support project expenses that appear in the budget. Cash gifts that will be raised to release federal matching funds should be included under “Third-party contributions.” (Consult the program guidelines for information on cost-sharing requirements.) When a project will generate income that will be used during the grant period to support expenses listed in the budget, indicate the amount of income that will be expended on budgeted project activities. Indicate funding received from other federal agencies.

**12. Total Project Funding:**

The sum of 11a and 11b.